APPENDIX A — FINAL JUDGMENT AND PERMANENT INJUNCTION ORDER OF THE CIRCUIT COURT OF COOK COUNTY, COUNTY DEPARTMENT, CHANCERY DIVISION DATED AND FILED AUGUST 22, 1991

IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT — CHANCERY DIVISION

NO. 86 CH 5458

PEOPLE OF THE STATE OF ILLINOIS, *ex rel* NEIL F. HARTIGAN, Attorney General of Illinois,

Plaintiff,

vs.

UPDATE FINANCIAL SERVICES, CORP. a dissolved Illinois corporation; JAMES TOWERS; CHARLES CRAWFORD; ARTHUR BISHOP; VIRGIL TOLBERT; and PERCY MIDDLETON, all individually and their respective official capacities with UPDATE FINANCIAL SERVICES CORP.; FIRST NATIONAL BANK OF EVERGREEN PARK; and FIRST MIDWEST BANK,

Defendants.

FINAL JUDGMENT AND PERMANENT INJUNCTION ORDER

THIS cause coming to be heard for prove-up, a default judgment having previously been entered against Percy Middleton and James Towers, and the Court having been

fully advised in the premises, and having jurisdiction over the subject matter and the parties, the court having considered plaintiff's verified complaint and the affidavits of consumers, hereby FINDS:

1. Defendants, Percy Middleton and James Towers, have been engaged in the business of mortgage brokering for financially distressed property owners whose homes were in foreclosure or in imminent danger of foreclosure.

2. In the conduct of their trade and business, defendants, Percy Middleton and James Towers have engaged in various acts and business practices which were in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act (Ill.Rev. Stat. 1985, ch. 121 1/2, par. 261 *et seq.*) (hereinafter referred to as the Consumer Fraud Act) including the following:

A. Defendants Percy Middleton and James Towers promised for substantial fees, to find mortgage money for consumers whose homes are in foreclosure or in imminent danger of foreclosure and then failed or refused to adequately pursue such financing.

B. Defendants Percy Middleton and James Towers failed to refund to the consumers fees and escrow payments which were, by contract, refundable.

C. Defendants Percy Middleton and James Towers violated escrow agreements by transferring escrow funds for purposes never authorized or intended by consumers.

3. As a result of said violations, many consumers, some known and specifically mentioned in plaintiff's verified complaint and other unknown, have lost substantial sums of money in both fees and escrow payments made to defendants.

4. A default judgment has heretofore been entered against the defendants, Percy Middleton and James Towers.

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED AND DECREE THAT:

A. Percy Middleton and James Towers are hereby permanently enjoined from performing, whether directly, indirectly, or through affiliates, agents, employees of independent contractors, the business of mortgage banking and entering into contracts or accepting fees for the performance of such services, involving any residential or commercial real estate situated anywhere in the State of Illinois;

B. Percy Middleton and James Towers are hereby permanently enjoined from obtaining or offering to obtain for a borrower a loan secured by a residential or commercial real estate situated in Illinois or assisting or offering to assist the borrower in obtaining a loan secured by residential or commercial real estate situated in Illinois in return for consideration to be paid by either the borrower or the lender.

C. Percy Middleton and James Towers are hereby permanently enjoined from soliciting, processing, placing or negotiating a residential mortgage loan secured by

residential real estate situated in the State of Illinois as defined by the Residential Mortgage License Act of 1987. (Ill.Rev.Stat., Ch. 17, Section 2321 *et seq.*)

D. Percy Middleton and James Towers are hereby permanently enjoined from holding a Residential Mortgage License in Illinois and from forming any partnership, corporation, association or other entity to so hold a Residential Mortgage License on their behalf.

E. Percy Middleton and James Towers are hereby permanently enjoined from being employed by any residential mortgage license to perform any activities regulated by the Residential Mortgage License Act of 1987.

F. Percy Middleton and James Towers are hereby ordered to pay the amount of Two Hundred Ten Thousand Eighty Two Dollars and Thirty Four Cents ($210,082.34) as restitution to the consumers harmed by defendants' unlawful acts and business practices, as provided by Section 7 of the Consumer Fraud Act. A list of the names and addresses of consumers and the amount of restitution to each is attached as Appendix A.

G. Percy Middleton and James Towers are hereby ordered to pay the amount of Fifty Thousand Dollars ($50,000) as civil penalties to the State of Illinois as provided by Section 7 of the Consumer Fraud Act.

H. The defendants Percy Middleton and James Towers are hereby ordered to pay the amount of Fifty Thousand Dollars ($50,000) as investigation costs to the State of Illinois as provided by Section 10 of the Consumer Fraud Act.

Appendix A

I. All payments of restitution, penalties and cost are to be made to the Office of the Illinois Attorney General.

ENTER: [stamp]
JUDGE EDWARD C. HOFERT
AUG 22 1991
Circuit Court-131 [stamp]

Dated:

s/ Edward C. Hofert
JUDGE

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